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Current Class: UNCLASSIFIED
Current Handling: n/a

DATE = 1994/02/24 00:00:00

RELEASED IN FULL

TS2

DOC_NBR = 1994STATE046775

FROM = STATE

TO = ALL AFRICAN DIPLOMATIC POSTS ALL OECD CAPITALS BONN
BRASILIA BRUSSELS CALGARY CANBERRA CAIRO DURBAN
GENEVA ISLAMABAD JEDDAH JOHANNESBURG KINSHASA
LISBON LONDON LUANDA LUXEMBOURG MOSCOW OTTAWA
PARIS RIYADH ROME SANAA STOCKHOLM TEL AVIV
TOKYO USEC BRUSSELS USNATO USUN N Y USIA

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INFO	LOG-00	AID-01	AMAD-01	ARA-01	A-01	CIAE-00	C-01
	OASY-00	DODE-00	DOEE-00	EAP-01	EB-01	EUR-01	OIGO-01
	HA-09	HHS-01	H-01	TEDE-00	INR-00	IO-16	JUSE-00
	L-01	MCO-01	ADS-00	NEA-01	NSAE-00	NSCE-00	OES-09
	OIC-02	OIG-04	OMB-01	PA-02	PM-01	PRS-01	P-01
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DRAFTED BY: AF/P:MBSWANN
APPROVED BY: AF/P:BWALKLEY

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FM SECSTATE WASHDC
TO ALL AFRICAN DIPLOMATIC POSTS PRIORITY
ALL OECD CAPITALS PRIORITY
AMEMBASSY BONN PRIORITY
AMEMBASSY BRASILIA PRIORITY
AMEMBASSY BRUSSELS PRIORITY
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AMEMBASSY KINSHASA PRIORITY
AMEMBASSY LISBON PRIORITY

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UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: JOHN L MILLS
DATE/CASE ID: 11 FEB 2004 200103014

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AMEMBASSY LONDON PRIORITY
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AMEMBASSY MOSCOW PRIORITY
AMEMBASSY OTTAWA PRIORITY
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USIA WASHDC PRIORITY 0000

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E.O. 12356: N/A
TAGS: PPRC' PREL, XA, US
SUBJECT: PRESS GUIDANCE - FEBRUARY 23, 1994

1. ELOW IS GUIDANCE ON THE DEVALUATION OF THE CFA AND
A STATEMENT AND GUIDANCE ON RWANDA.

2. DEVALUATION OF THE CFA

Q: DO YOU HAVE ANY COMMENT ON RECENT PRESS REPORTS
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DESCRIBING DIFFICULTIES IN SOME AFRICAN COUNTRIES
RESULTING FROM THE DEVALUATION OF THE CFA FRANC?

A: WE HAVE SEEN THOSE REPORTS DESCRIBING DIFFICULT
CONDITIONS IN SOME OF THE CFA COUNTRIES. IN SPITE OF THE
DISLOCATIONS, IT IS OUR VIEW THAT THE DEVALUATION WAS AN
UNAVOIDABLE FIRST STEP IN RESOLVING THE ECONOMIC
DIFFICULTIES OF THE CFA ZONE. IT IS NECESSARY TO TAKE A
LONG-TERM VIEW.

WE BELIEVE THE DEVALUATION OF THE CFA FRANC IS ONE OF THE
KEY MEASURES THAT CAN HELP RESTORE COMPETITIVENESS TO THE

NATIONS WHICH USE IT. EXPORT PERFORMANCE FROM MANY OF

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THESE COUNTRIES HAS BEEN POOR IN RECENT YEARS, IN PART
ECAUSE THE CFA WAS OVERVALUED.

IF ACCOMPANIED BY STRONG, APPROPRIATE MACROECONOMIC
MEASURES WE BELIEVE THE DEVALUATION WILL CONTRIBUTE TO
ECONOMIC RECOVERY IN THE CFA ZONE MEMBER COUNTRIES.

SEVERAL OF THE CFA COUNTRIES HAVE NEGOTIATED STRUCTURAL
ADJUSTMENT PROGRAMS WITH THE WORLDANK AND THE IMF. WE
ANTICIPATE THAT THE INTERNATIONAL FINANCIAL INSTITUTIONS
WILL BE THE PRINCIPAL SOURCE OF ASSISTANCE DURING THIS
PERIOD. THE US, HOWEVER, IS EXAMINING WAYS IN WHICH WE
MIGHT ALSO BE ABLE TO PROVIDE ASSISTANCE.

Q: WHAT IS THE IMPACT OF THE DEVALUATION OF THE CFA
FRANC?

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A: IMPORTED GOODS HAVE BECOME MORE EXPENSIVE IN THE CFA
COUNTRIES, AFFECTING CONSUMERS OF THESE PRODUCTS.

ON THE POSITIVE SIDE, LOCAL CURRENCY RECEIPTS FOR CURRENT
EXPORTS SHOULD RISE, IMPROVING ECONOMIC PROSPECTS' AND
PRODUCTION COSTS SHOULD FALL, MAKING CFA COUNTRIES MORE
ATTRACTIVE TO POTENTIAL INVESTORS.

OVER TIME, EXPORTS FROM MEMBER COUNTRIES SHOULD BECOME
MORE COMPETITIVE. THE CFA COUNTRIES HAVE LOST MARKET
SHARE IN WORLD TRADE TO MORE EFFICIENT PRODUCERS.

IN OUR VIEW, IF THE DEVALUATION IS ACCOMPANIED BY
APPROPRIATE MACROECONOMIC MEASURES IT SHOULD CONTRIBUTE TO
ECONOMIC RECOVERY.

3. RWANDA:

A) STATEMENT ASSASSINATION OF PUBLIC WORKS MINISTER

THE U.S. GOVERNMENT STRONGLY CONDEMNS THE ASSASSINATION OF
RWANDAN MINISTER OF PUBLIC WORKS AND ENERGY FELICIEN
GATABAZI, WHO WAS MURDERED BY UNKNOWN ASSAILANTS OUTSIDE
HIS HOME ON FEBRUARY 21. THE ASSASSINATION IS AN EXTREME
EXAMPLE OF THE INCREASING TENSION AND VIOLENCE THAT HAS
ACCOMPANIED THE CONTINUING IMPASSE OVER FORMATION OF THE
NEW TRANSITION GOVERNMENT. DEMONSTRATIONS OVER THE

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WEEKEND CAUSED AT LEAST EIGHT DEATHS, AND A POLITICAL
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PARTY LEADER WAS MURDERED THE DAY AFTER THE MINISTER'S
ASSASSINATION. WE CALL FOR A SWIFT INVESTIGATION OF THESE
KILLINGS SO THAT THE PERPETRATORS CAN BE IDENTIFIED AND
BROUGHT TO JUSTICE.

THE ARUSHA PEACE ACCORDS SIGNED LAST AUGUST BETWEEN THE
RWANDAN GOVERNMENT AND THE RWANDAN PATRIOTIC FRONT OFFER
REAL HOPE FOR LASTING PEACE. HOWEVER, POLITICAL HAGGLING
OVER COMPOSITION OF THE NEW TRANSITION GOVERNMENT HAS HELD
UP IMPLEMENTATION OF THE ACCORDS. THE LONGER THE
POLITICAL IMPASSE DRAGS ON, THE GREATER THE RISK OF
FURTHER VIOLENCE. THE U.S. GOVERNMENT URGES RWANDA'S
LEADERS TO ACT IN THE NATIONAL INTEREST AND RESPECT THE
PEACE ACCORDS SO THAT THE NEW GOVERNMENT CAN BE FORMED AND
THE ACCORDS CAN BE FULLY IMPLEMENTED. WE CALL ON ALL
SIDES TO FORSWEAR VIOLENCE AND COMMIT THEMSELVES TO TRUE
NATIONAL RECONCILIATION.

B) GUIDANCE

. WHAT DO WE KNOW ABOUT THE CIRCUMSTANCES SURROUNDING
THE ASSASSINATION?

A: MINISTER GATABAZI WAS ASSASSINATED BY UNKNOWN ARMED
MEN OUTSIDE HIS HOME AT ABOUT 10:00 PM LOCAL TIME,
FEBRUARY 21. ONE OF HIS BODYGUARDS WAS ALSO KILLED AND
ANOTHER WAS SERIOUSLY INJURED. NO ONE HAS CLAIMED
RESPONSIBILITY FOR THE KILLING AND AN INVESTIGATION IS
UNDERWAY.

Q. WHAT INFORMATION DO YOU HAVE ON THE MINISTER'S
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BACKGROUND?

A: GATABAZI, 50, WAS THE FOUNDER AND EXECUTIVE SECRETARY
OF THE SOCIAL DEMOCRAT PARTY (PSD). FROM 1977 TO 1984, HE
HELD A NUMBER OF MINISTERIAL PORTFOLIOS IN THE FIRST
CIVILIAN GOVERNMENT OF PRESIDENT HABYARIMANA. WHEN A
COALITION GOVERNMENT WAS FORMED IN APRIL 1992, GATABAZI
WAS NAMED TO HEAD THE MINISTRY OF PUBLIC WORKS AND ENERGY,
A MINISTRY WHICH THE PSD PARTY HOLDS UNDER THE AGREEMENT

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CREATING THE COALITION GOVERNMENT. HE WAS TO CONTINUE IN THIS POSITION IN THE NEW TRANSITION GOVERNMENT.

Q. WHAT DO WE KNOW ABOUT THE PARTY LEADER KILLED ON FEBRUARY 22?

A: AROUND MID-DAY ON FEBRUARY 22, MARTIN BUCYANA, LEADER OF THE COALITION FOR THE DEFENSE OF THE REPUBLIC (CDR), A SMALL POLITICAL PARTY, CAME ACROSS ROADBLOCKS OUTSIDE THE PROVINCIAL CITY OF BUTARE AND SOUGHT REFUGE IN A NEARBY HOME. DEMONSTRATORS DRAGGED HIM FROM THE HOME AND MURDERED HIM AND A FAMILY MEMBER WHO WAS ACCOMPANYING HIM.

Q. WHAT IS THE CURRENT POLITICAL SITUATION?

A: THE ARUSHA PEACE ACCORDS, SIGNED ON AUGUST 4, 1993, PROVIDE FOR THE FORMATION OF A BROAD-BASED COALITION TRANSITION GOVERNMENT. WHICH IS TO INCLUDE THE FIVE PARTIES CURRENTLY REPRESENTED IN THE GOVERNMENT AS WELL AS THE RWANDAN PATRIOTIC FRONT (RPF). EACH PARTY IS ALLOTTED A CERTAIN NUMBER OF MINISTERIAL AND ASSEMBLY SEATS; HOWEVER, INTERNAL SPLITS IN TWO OF THE COALITION PARTIES.

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THE LIBERAL PARTY (PL) AND THE DEMOCRATIC REPUBLICAN MOVEMENT (MDR), HAVE PREVENTED THESE PARTIES FROM PRESENTING UNIFIED MINISTERIAL AND PARLIAMENTARY LISTS.

NEGOTIATIONS ARE CONTINUING TO RESOLVE THE IMPASSE, WITH THE ASSISTANCE OF UN SPECIAL REPRESENTATIVE BOOH BOOH AND THE ENCOURAGEMENT OF THE U.S. AND OTHER INTERESTED COUNTRIES. PRESIDENT HABYARIMANA ANNOUNCED THE SWEARING IN OF THE NEW GOVERNMENT TODAY, BUT SEVERAL PARTIES FAILED TO APPEAR AND THE CEREMONY WAS CANCELLED.

Q. WHAT IS THE STATUS OF THE UN PEACEKEEPING MISSION?

A: IN EARLY JANUARY, FOLLOWING ITS THREE-MONTH REVIEW OF THE OPERATION, THE UN SECURITY COUNCIL APPROVED ADDITIONAL DEPLOYMENTS OF PEACEKEEPERS. THERE ARE NOW OVER 2,000 UN PERSONNEL SERVING IN UNAMIR, THE UN ASSISTANCE MISSION IN RWANDA. UNAMIR HAS HELPED LOCAL GENDARMES MAINTAIN ORDER DURING THE PAST FEW DAYS OF DISTURBANCES AND HAS PLAYED A POSITIVE ROLE IN CONTAINING AND PREVENTING ESCALATION OF THE VIOLENCE.

ON FEBRUARY 17, THE UN SECURITY COUNCIL ISSUED A PRESIDENTIAL STATEMENT URGING RAPID FORMATION OF THE

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TRANSITION GOVERNMENT AND REMINDING RWANDANS THAT UNAMIR
WILL BE ASSURED OF CONSISTENT SUPPORT ONLY IF THE PARTIES
IMPLEMENT THE ARUSHA ACCORDS FULLY AND RAPIDLY.

Q. HOW MUCH AID DO WE PROVIDE TO RWANDA?

A: OUR FY-94UDGET FOR DEVELOPMENT ASSISTANCE IS DOLLARS
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14.6 MILLION. OUR AID FOCUSES ON BUDGET REFORM
DEMOCRATIZATION, PROMOTION OF PRIVATE ENTERPRISE, FAMILY
PLANNING, AND AIDS PREVENTION. IN ADDITION, IN FY-93, WE
PROVIDED OVER DOLLARS 35 MILLION IN HUMANITARIAN AID TO
PERSONS DISPLACED BY THE WAR. SOME 350,000 REMAIN
DISPLACED, AND WE ESTIMATE THAT HUMANITARIAN AID WILL BE
AT LEAST DOLLARS 10 MILLION IN FY-94.

Q. WHAT ARE WE TELLING THE RESIDENT AMERICAN COMMUNITY?

A: THERE ARE ABOUT 200 AMERICANS RESIDENT IN RWANDA,
FEWER THAN HALF OF WHOM ARE U.S. GOVERNMENT EMPLOYEES AND
DEPENDENTS. THE EMBASSY IS INSTRUCTING THE RESIDENT
AMERICAN COMMUNITY TO AVOID TRAVEL UP-COUNTRY AND IN KNOWN
TROUBLE AREAS AND TO REMAIN AT HOME AT NIGHT.

ASMARA MINIMIZE CONSIDERED.
KHARTOUM MINIMIZE CONSIDERED.
LUANDA MINIMIZE CONSIDERED CHRISTOPHER

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